

Exhibit 26

In The Matter Of:

*U.S. Securities and Exchange Commission v.
Elek Straub, Andras Balogh and Tamas Morvai*

Tamas Morvai

Vol. 1

September 29, 2014

Highly Confidential

Behmke Reporting and Video Services, Inc.

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Original File 24858Morvai.txt

Min-U-Script® with Word Index

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1 opportunity to review that order previously
2 with your attorney?
3 A Yes, I did.
4 Q And do you understand the contents of
5 that protective order?
6 A I do.
7 Q And you have also signed an
8 acknowledgment today, just this morning,
9 acknowledging that you received and understand
10 that order; correct?
11 A I did.
12 Q And just for your awareness, all of
13 the attorneys, the court reporter, the
14 videographer, everyone who is present today,
15 has either today or at a previous deposition
16 signed an acknowledgment showing that they
17 understand that order and that they're bound
18 by its terms; okay?
19 A Okay.
20 Q You can go ahead and set that down.
21 And we'll just -- as I present exhibits to
22 you, when you are done with the exhibit, it
23 can go in a stack here (indicating). If you
24 need to go back to an exhibit, you can find it
25 here; okay?

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1 A Okay.
2 Q As we go through today, obviously,
3 I'm going to ask you a series of questions.
4 I'd ask that you wait until I'm finished with
5 my question before you start answering, even
6 if you know where I'm going with the question;
7 okay?
8 A Will try.
9 Q And your attorney may have
10 objections, I hope he doesn't have too many,
11 but you want to give him an opportunity to say
12 his entire objection before you start
13 answering. And unless he instructs you not to
14 answer, you can go ahead and answer my
15 question after he's done objecting; okay?
16 A Okay.
17 Q And have you been to New York before?
18 A Yes.
19 Q And how many times have you been to
20 the States in the past?
21 A I've been in the States, I think,
22 four or five times.
23 Q Am I correct that you went to
24 university here in the United States?
25 A Yes, that was executive course, two,

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1 three times, two weeks or something like that.
2 Q And what school was that?
3 A That was -- it's Purdue University,
4 School of Management.
5 Q And when was that?
6 A Oh, my God. That was long time ago.
7 I think started that in '97, 1999, something
8 like that.
9 Q Okay. And what sort of English
10 instruction or English training had you taken
11 prior to that?
12 A Well, that was -- that was -- when I
13 take an MBA, we had a lot of foreigners, some
14 Americans and some foreigners, so I didn't
15 study English there. I studied English at
16 home.
17 Q Okay. And for approximately how many
18 years did you study the English language?
19 A Six.
20 Q Okay. And all your classes at Purdue
21 were conducted in English?
22 A Yes.
23 Q And over the course of your
24 professional career, have you conducted a fair
25 amount of your business in the English

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1 language?
2 A Yes, I did. But of course, that is
3 the English which is -- it is business
4 English, yeah.
5 Q Mm-hmm.
6 A Which is spoken by different
7 nationalities.
8 Q And today, as we conduct our
9 questioning and answering in English, if there
10 is any questions that are unclear to you,
11 please just let me know and I'll be happy to
12 try to rephrase the question so it's clear to
13 you.
14 A Yeah.
15 Q Can you tell me a little bit about
16 your professional background, beginning first
17 with just a brief description of your
18 education?
19 A If I -- I finished the Budapest
20 University of Economic Sciences with
21 specialization on finance and accountancy.
22 Right after that, my first job was in Citibank
23 in Budapest.
24 Then I was training commercial papers
25 for some time. Very quick after that, because

<p style="text-align: right;">Page 17</p> <p>1 that was at the beginning of the 90s, when 2 Hungary just got out of Communism and lots of 3 foreign investment came into the country. 4 I was offered a job at a company 5 called Primagaz Hungary, which was a propane 6 distributor in Hungary. And then I worked 7 there several years; first as a treasurer, and 8 then I was responsible for management 9 accounting. 10 Then I was selected by that company, 11 because that's part of a multinational 12 company, to -- to go for -- to go to work 13 abroad. And my first foreign assignment was 14 in Slovenia, when I was a CFO for a small 15 company, also propane distribution in 16 Slovenia. 17 After that, worked two years in 18 Paris, in the headquarters of the company. 19 Then came back to Hungary, the 20 company I originally joined, Primagaz Hungary, 21 as CFO. 22 Then after serving nine years in that 23 group of companies, I was offered a position 24 to be a CFO of the Hungarian Airlines, the 25 national carrier of Hungary, Malev, which I</p>	<p style="text-align: right;">Page 19</p> <p>1 Q Okay. If I could go back real quick 2 to some of your earlier experience. 3 You said you were treasurer with 4 Primagaz? 5 A Yeah. 6 Q What were your duties as a treasurer, 7 generally? 8 A As a treasurer, I was responsible for 9 financing of -- arranging the financing of the 10 company, all the cash management, debt 11 collection, credit control. 12 Q And then you said you also worked in 13 management accounting at Primagaz? 14 A Yeah, that was -- that was already 15 part of my, let's say, preparation for the CO 16 -- CFO position, so then I was moved on the 17 accounting side to supervise, of course, the 18 reporting and the -- all these kind of 19 activities. 20 Q Did you ever hold the title 21 controller while you worked with Primagaz? 22 A Yeah, the -- yes, we called it -- 23 it's funny. We are not very big on titles in 24 this company, so controller, what we call 25 controller normally is a kind of CFO.</p>
<p style="text-align: right;">Page 18</p> <p>1 took. And that didn't last very long, because 2 I didn't like that company that much. 3 And then Hungarian Telekom offered me 4 a position and I accepted that. 5 Q Why didn't you like working at the 6 airline? 7 A What I didn't like at the airline was 8 that was majority state owned. At that time, 9 it was too much political influence in 10 Hungary. 11 Q In what way? 12 A When the -- when I accepted that 13 position, the airlines were not in very good 14 shape. And they -- Malev hired Hungarians 15 with experience in crisis management. And I 16 had that in my previous company. And it 17 looked that they were putting together a nice 18 team of three people who were not politically 19 connected but just wanted to do a good job. 20 But not long time after I joined, the 21 political -- politicians changed their mind, 22 and they removed my boss, who was a Procter 23 and Gamble guy, who was very professional, 24 very high level person. And then they put 25 their more political nominee.</p>	<p style="text-align: right;">Page 20</p> <p>1 Q Mm-hmm. 2 A And I was a controller in Paris as 3 well, which actually meant that I was part of 4 the finance team and supervised some countries 5 from financial point of view. 6 Q And so what type of -- what were your 7 duties as a controller for Primagaz? 8 A As a controller, you had to -- you 9 had to know all the specificities of the 10 country you were supervising; see the monthly 11 report, talk to the management, what happened, 12 prepare short report out of that, be part of 13 budget preparation, budget discussions. If 14 there was an important deal, like let's say 15 investment proposal preparation to acquire a 16 company or to divest something, these type of 17 things, financial due diligence. 18 Q And I think you mentioned that you 19 worked in Slovenia; is that right? 20 A Yes, I did. 21 Q When was that? 22 A Slovenia was between '96 and '98, 23 long time ago. 24 Q Okay. Did you live in Slovenia? 25 A I did.</p>

<p style="text-align: right;">Page 21</p> <p>1 Q Okay. In -- in the capital city?</p> <p>2 A Yeah, capital city call Ljubljana.</p> <p>3 Q And I guess, going forward to when</p> <p>4 you came to Magyar Telekom, what was the first</p> <p>5 position that you held at Magyar and what year</p> <p>6 was that?</p> <p>7 A My position was international</p> <p>8 portfolio director, and that was in 2003.</p> <p>9 Q And what were your duties as</p> <p>10 international portfolio director?</p> <p>11 A That was a new position at Magyar</p> <p>12 Telekom at the time, and the international</p> <p>13 portfolio -- it's a nice title, international</p> <p>14 portfolio of Magyar Telekom at the time was</p> <p>15 MakTel in Macedonia.</p> <p>16 So my duties were to coordinate</p> <p>17 between the different shareholders of</p> <p>18 Macedonian Telekom and also liaison between</p> <p>19 the different departments of Magyar Telekom</p> <p>20 and Macedonian Telekom; talking about budgets,</p> <p>21 budget preparation, budget discussions,</p> <p>22 performance reviews of the companies, these</p> <p>23 type of things.</p> <p>24 Q And just for our record, if I could</p> <p>25 sort of ask you a few questions about what is</p>	<p style="text-align: right;">Page 23</p> <p>1 MakTel group.</p> <p>2 Q Did Magyar Telekom have other</p> <p>3 companies that it was related to through which</p> <p>4 it conducted business in Macedonia?</p> <p>5 A Yes, Magyar Telekom were partly --</p> <p>6 partly owners of two companies; a company</p> <p>7 called StoneBridge and Telemacedonia.</p> <p>8 Q And first with StoneBridge, was</p> <p>9 StoneBridge wholly owned by Magyar Telekom?</p> <p>10 A No, StoneBridge was majority owned by</p> <p>11 Magyar Telekom, and there were two minority</p> <p>12 owners, the two investment partners in -- in</p> <p>13 Macedonia, which were the Shortis(ph)</p> <p>14 Investment Fund and the Greeks, Cosmotelco.</p> <p>15 Q And did there ever come a time when</p> <p>16 StoneBridge did become wholly owned by Magyar?</p> <p>17 A Yes, after the exit of the minority</p> <p>18 shareholders, meaning the Americans and the</p> <p>19 Greeks.</p> <p>20 Q Do you know approximately when that</p> <p>21 was?</p> <p>22 A 2004.</p> <p>23 Q And did StoneBridge have any actual</p> <p>24 business operations?</p> <p>25 A StoneBridge was a holding company.</p>
<p style="text-align: right;">Page 22</p> <p>1 meant by MakTel and the related MakTel group</p> <p>2 of companies.</p> <p>3 Am I correct that MakTel was the name</p> <p>4 of the partially state-owned</p> <p>5 telecommunications company in Macedonia?</p> <p>6 A Yes.</p> <p>7 Q Do you remember what the full name of</p> <p>8 MakTel was?</p> <p>9 A The full name of MakTel was</p> <p>10 Makedonski Telekomunikacii.</p> <p>11 Q And the MakTel group -- I think we'll</p> <p>12 call it MakTel, because it's much easier to</p> <p>13 say.</p> <p>14 A It's easier.</p> <p>15 Q The MakTel group, did that include</p> <p>16 other companies?</p> <p>17 A Yes, it included a mobile operator</p> <p>18 called MobiMak.</p> <p>19 Q And was MobiMak wholly owned by</p> <p>20 MakTel?</p> <p>21 A Yes, it was.</p> <p>22 Q Any other companies in the group?</p> <p>23 A There might have been smaller</p> <p>24 companies, operational companies, but --</p> <p>25 which -- which could have been part of the</p>	<p style="text-align: right;">Page 24</p> <p>1 It was established because the -- actually, it</p> <p>2 was not Magyar Telekom who bought MakTel, but</p> <p>3 the consortium in StoneBridge who bought</p> <p>4 MakTel.</p> <p>5 So StoneBridge was the owner of the</p> <p>6 51 percent of the shares of MakTel. And in</p> <p>7 StoneBridge, 80 something percent was owned by</p> <p>8 Magyar Telekom.</p> <p>9 Q And then I think you mentioned</p> <p>10 Telemacedonia --</p> <p>11 A Yes.</p> <p>12 Q -- can you describe that company;</p> <p>13 what was the purpose of that company and who</p> <p>14 were its owners?</p> <p>15 A Telemacedonia was a -- was a service</p> <p>16 company, actually, which was established to --</p> <p>17 to give services to MakTel and to MobiMak.</p> <p>18 There were two coshareholders; one was an</p> <p>19 Magyar Telekom, another was Cosmotelco,</p> <p>20 Greeks.</p> <p>21 Q What kind of services did</p> <p>22 Telemacedonia provide?</p> <p>23 A These were -- these were the services</p> <p>24 to modernize the company, management type of</p> <p>25 services, management and consultant service.</p>

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<p>1 A Analogy, yes. I need to drink water.</p> <p>2 Analogy is the correct word.</p> <p>3 Q Now, before we had talked about other</p> <p>4 internal resources that MakTel was mobilizing</p> <p>5 to deal with these issues of the telecom law,</p> <p>6 the frequency fee, based on what you're</p> <p>7 saying, were those resources not working at</p> <p>8 that time?</p> <p>9 MR. KOENIG: Objection.</p> <p>10 A I'm not saying that.</p> <p>11 Q Okay.</p> <p>12 A Again, I was not part of making that</p> <p>13 decision to employ the Greeks.</p> <p>14 If I stay with the same analogy, you</p> <p>15 have a fire in your house, you have a fire</p> <p>16 extinguisher, you put water on that, you put</p> <p>17 your whole family, but I think you still call</p> <p>18 the fire brigade, that they should be there</p> <p>19 just in case, you cannot manage it yourself.</p> <p>20 So you -- you ask for all the help you can</p> <p>21 have because the damage can be very serious.</p> <p>22 So not -- let me change it.</p> <p>23 Not using an already proven existing</p> <p>24 partner and not -- not succeeding because of</p> <p>25 that, that would have been a big mistake, not</p>	<p>1 review that.</p> <p>2 A (Document review.)</p> <p>3 Yeah.</p> <p>4 Q You've had a chance to look at that?</p> <p>5 A (Nonverbal response.)</p> <p>6 Q Do you recall receiving that e-mail?</p> <p>7 A No.</p> <p>8 Q And you testified earlier, am I</p> <p>9 correct, that Mr. Vaczlavik was the managing</p> <p>10 director of Telemacedonia?</p> <p>11 A Yes.</p> <p>12 Q Did he have any role at Magyar</p> <p>13 Telekom?</p> <p>14 A His full-time job was to be the</p> <p>15 managing director. He was stationed in</p> <p>16 Macedonia. It was -- they needed to manage a</p> <p>17 lot of things for different experts, so yeah,</p> <p>18 he was in Macedonia. He was a Hungarian guy,</p> <p>19 though.</p> <p>20 Q Okay. Did he work --</p> <p>21 A He had all the experts as well.</p> <p>22 Q Did he work for Magyar previously</p> <p>23 before he --</p> <p>24 A Exactly, exactly.</p> <p>25 Q Okay. The actual e-mail, which is</p>
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<p>1 to use all of the resources and all of the</p> <p>2 means you have.</p> <p>3 Q Did -- I think I'll show you a new</p> <p>4 document.</p> <p>5 This is Exhibit 53, also previously</p> <p>6 marked, used in a previous deposition.</p> <p>7 Here's a copy.</p> <p>8 (Plaintiff's Exhibit 53, E-mail,</p> <p>9 Vaczlavik to Balogh and Morvai,</p> <p>10 8/30/05, Bates Stamped</p> <p>11 MT-MAKB 0000052 - 52-T, previously</p> <p>12 marked, was introduced into the</p> <p>13 proceeding.)</p> <p>14 Q I'll give you a moment to orient</p> <p>15 yourself on that as well.</p> <p>16 This is a two-page document. The</p> <p>17 first page is MT-MAKB followed by five zeros,</p> <p>18 and then 52. The next page -- it appears to</p> <p>19 be a one-page document in the Hungarian</p> <p>20 language, an e-mail from Ferenc Vaczlavik,</p> <p>21 dated August 30th, 2005, to Andras Balogh and</p> <p>22 Tamas Morvai. The next page, which is Bates</p> <p>23 MT-MAKB, five zeros, 52-T, appears to be an</p> <p>24 English translation of the same e-mail.</p> <p>25 I'll give you an opportunity to</p>	<p>1 addressed, "Dear Andras", says, "Attila</p> <p>2 informed me that, according to your agreement,</p> <p>3 the two planned Chaptex agreements should be</p> <p>4 concluded via Telemacedonia because the direct</p> <p>5 MakTel connection would attract too much</p> <p>6 attention."</p> <p>7 Did you have any conversations with</p> <p>8 Mr. Vaczlavik about how the Chaptex agreements</p> <p>9 should be structured?</p> <p>10 A Yeah, we had discussions, because,</p> <p>11 actually, he was the managing of -- of</p> <p>12 Telemacedonia, and I was chairman of the</p> <p>13 board. So I had to have those discussions,</p> <p>14 yes.</p> <p>15 Q And what discussions did you have?</p> <p>16 A The -- what you see here. I looked</p> <p>17 at the Hungarian version. These are technical</p> <p>18 solutions, how you can do this.</p> <p>19 Q Was there any discussion about</p> <p>20 whether to have MakTel be the other party to</p> <p>21 the contracts, instead of Telemacedonia?</p> <p>22 A In -- in the ideal world, these would</p> <p>23 have been MakTel contracts, because the</p> <p>24 beneficiary is MakTel.</p> <p>25 Though I have to come back to this</p>

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Tamas Morvai

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1
2 MONDAY, SEPTEMBER 29, 2014; 9:35 A.M.
3
4 **VIDEO OPERATOR:** Here begins DVD
5 Number 1 in the continued deposition
6 of Tamas Morvai, in the matter of
7 US Securities and Exchange Commission
8 versus Elek Straub, et al.
9 Today's date is September 30th,
10 2014. And the time on the video
11 monitor is 9:35 a.m.
12 Please begin.
13 CONTINUED EXAMINATION
14 **BY MR. BEDNAR:**
15 **Q Good morning, Mr. Morvai. I just**
16 **wanted to remind you that you are under oath**
17 **today, based on the oath that you received**
18 **yesterday.**
19 **I wanted to ask you a couple of**
20 **follow-up questions on some of the Chaptex**
21 **contracts that we discussed yesterday --**
22 **A Yes.**
23 **Q -- and then we'll move on to another**
24 **topic.**
25 **First, I want to show you an exhibit**

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1 that's previously been marked in another
2 exhibit -- another deposition as Plaintiff's
3 Exhibit 55. I'll give you an opportunity to
4 look at that.
5 (Plaintiff's Exhibit 55, Letter
6 re: Consultancy Agreements, Balogh
7 and Morvai to Kisjuhasz, 5/31/05,
8 Bates Stamped MT-MAK 0014586 and
9 MT-MAK 0014586-T, previously
10 marked, was introduced into the
11 proceeding.)
12 **Q Plaintiff's Exhibit 55 is a two-page**
13 **document. It has the Bates Number**
14 **MT-MAK 0014586 and 0014586-T.**
15 **It appears to be a letter, the first**
16 **page in the Hungarian language, the second**
17 **page an English translation, bearing the date**
18 **May 31st, 2005.**
19 **I'll give you an opportunity to look**
20 **over that.**
21 **A (Document review.)**
22 **Q And do you recognize this letter,**
23 **Mr. Morvai?**
24 **A I see that I signed it.**
25 **Q Do you recall signing the letter?**

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1 A I recall the request for such a
2 letter, yes.
3 **Q And where did the request for this**
4 **letter come from?**
5 A This request -- this letter was not
6 necessarily request. It came from the person
7 who was the -- Mr. Zoltan Kisjuhasz, who was
8 the managing director of StoneBridge at the
9 time.
10 **Q And what was the nature of his**
11 **request?**
12 A Yesterday, you -- you showed me a
13 document, which said that StoneBridge actually
14 ceased to exist somewhere around the end of
15 2005. So Mr. Kisjuhasz was designated
16 managing director of the company, but for
17 the -- for a limited period of time. And he
18 was not part of that the discussion between
19 Mr. Balogh and the Greeks about the contracts.
20 So he was not part of the operational issues
21 in Macedonia. Though, as he was the CEO, he
22 was the one who was authorized to sign,
23 according to the status of the company.
24 So that's why he asked this from
25 Mr. Balogh, because he was managing those

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1 discussions. And I signed it as a -- in the
2 capacity as a chairman of the board of
3 StoneBridge, to give him comfort that he can
4 enter those contracts.
5 **Q And on the lower right of the page,**
6 **where it says "Tamas Morvai", is that your**
7 **signature?**
8 A Yeah, something like that.
9 **Q And on the left side of the page,**
10 **where it says "Andras Balogh", do you**
11 **recognize that as his signature?**
12 A I don't really know what his
13 signature looks like. That must be his
14 signature.
15 **Q This letter bears the date May 31st,**
16 **2005.**
17 **Was this letter actually signed on**
18 **that date?**
19 A I do not recall when this letter was
20 signed.
21 **Q Do you recall when Mr. Kisjuhasz**
22 **requested that a letter of this type be**
23 **provided?**
24 A No, I don't.
25 **Q Do you recall whether the letter was**

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1 signed on a date different than the date that
2 was placed on the letter?
3 A No.
4 MR. KOENIG: Objection, no
5 foundation.
6 He's already said he doesn't
7 recall when the letter was signed.
8 A No.
9 Q I'd like to ask you a couple
10 questions now about other Chaptex contracts
11 that we talked about yesterday.
12 One of the issues that we talked
13 about was the IPLC line --
14 A Yeah.
15 Q -- that MakTel had that ran to
16 Greece, and ask you some questions about
17 whether or not marketing or sales services
18 were necessary in connection with that line.
19 Do you know whether Chaptex ever
20 contracted to provide services with respect to
21 the IPLC line, marketing and sales services?
22 MR. KOENIG: What time frame?
23 A What time?
24 Q Any time frame.
25 A By which company? By which company?

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1 Q By Chaptex with MakTel.
2 A With MakTel. I was -- once again, I
3 was not executive board member. I don't know
4 if there were contracts like that.
5 Q Do you know if Cosmotelco ever had a
6 contract to provide such services?
7 A I know that there was discussions.
8 And even, I think with the buyout of
9 Cosmotelco from StoneBridge, I remember it was
10 part of the package that they will provide
11 telecommunications services for MakTel in
12 Greece.
13 Q Do you know if they ever -- if the
14 Greeks ever entered into an additional
15 contract in 2006 to provide such services with
16 respect to the IPLC line?
17 A I don't know.
18 Q We also talked about a project at
19 MakTel to explore acquiring a cable television
20 company; do you recall that?
21 A Yes.
22 Q Do you know whether the Greeks
23 entered into any contracts with MakTel in 2006
24 to perform due diligence on cable company
25 acquisition targets?

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1 A As I told you yesterday, I knew that
2 Mr. Szendrei was planning to do that.
3 Q Do you know if that was actually
4 done?
5 A Whether it was actually done, I think
6 it was done, but that's -- I was not
7 operationally involved in that contract, so
8 yeah, that -- it most probably was done.
9 Q And do you recall discussing with
10 Mr. Szendrei or anyone else whether other
11 companies had been considered to provide those
12 due diligence services?
13 A No. When Mr. Szendrei give the
14 proposal to me, he suggested to use the
15 Greeks.
16 Q And did he say why he proposed to use
17 the Greeks?
18 A No.
19 Q Did you ever talk to Mr. Balogh about
20 that subject?
21 A I do not recall specific discussion
22 on that subject. That never reached the level
23 of board stuff, so it was never materialized.
24 Q Yesterday, you briefly mentioned a
25 company called Netfon.

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1 A Yes.
2 Q What was Netfon?
3 A Netfon was also part of the Greek
4 empire in Macedonia. Netfon was a commercial
5 partner of MobiMak. And if I'm -- roughly,
6 they had five or six shops, retail shops,
7 where they were selling the products and
8 services of MobiMak.
9 Q And in 2006, did the Greeks enter
10 into any contracts with MakTel or MobiMak to
11 acquire Netfon stores?
12 A That, I do not recall. Of course,
13 MobiMak and Netfon had long lasting
14 contractual relationship as a kind of
15 dealership type of agreement.
16 I do not recall if they -- they
17 bought or wanted to buy Netfon out. Because
18 once again, in 2004, in the package of buying
19 the Greeks out from -- from Telemacedonia and
20 StoneBridge, the Netfon contract was
21 specifically mentioned, that it will continue.
22 So it was not a discussion to buy out Netfon.
23 Q Did MobiMak have other retail stores,
24 other than the ones that were run by Netfon?
25 A Hundreds.

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1 in the employment contract?

2 A Exactly.

3 Q Any negotiation over the amount?

4 A There was no negotiation of this

5 amount at all.

6 Q Did you or any representative for you

7 request more money in severance?

8 A No.

9 Q Were there any conditions on the

10 severance payment you received?

11 A No.

12 This was a clear legal process. When

13 I give my termination, immediate termination,

14 and they didn't give me back my job, they had

15 to pay exactly according to the contract. So

16 there was no place for negotiation from --

17 Q Right.

18 A -- either side.

19 Q The -- do -- do you have a copy of

20 the employment contract?

21 A I do not know if I have a copy.

22 Q What was the next employment that you

23 got after you left Magyar?

24 A After I left Magyar, I got an

25 employment from the old company I was working

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1 for.

2 Q Was that Primagaz?

3 A Yes.

4 Q In what country?

5 A That was in France.

6 Q Did anyone at Magyar provide you with

7 a recommendation or a reference?

8 A Now, as you ask, I think I had

9 something like that.

10 Q From whom?

11 A From HR.

12 Q Okay. Did anyone at Magyar, other

13 than HR, offer to provide a reference or a

14 recommendation?

15 A I don't -- I don't recall that.

16 Q Anyone offer to help you find

17 employment?

18 A No.

19 Q You mentioned that when you were

20 still out of -- out of work and awaiting a

21 decision from Magyar --

22 A Yeah.

23 Q -- I think you said that it was

24 discussed at the board, but there was nothing

25 they could do; is that correct?

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1 A No, what I --

2 MR. KOENIG: Objection.

3 A No, what I was -- what I was -- what

4 heard about the discussion. I'm not member of

5 the Magyar Telekom board.

6 Q Right.

7 A I was not there on that meeting.

8 When I requested my job back, people told me

9 that this -- they will ask the board. And I

10 don't know exactly what happened on the board

11 meeting. But after the board meeting, they

12 told me that, unfortunately, they cannot give

13 my job back because of this White & Case

14 and --

15 Q All right. Who -- who told you that?

16 A I don't remember who was it,

17 actually.

18 Q Going back to the beginning of the

19 investigation. You said that you learned that

20 there was an investigation from Elek Straub.

21 Did he tell you this --

22 MR. KOENIG: Objection, objection.

23 A What I said --

24 MR. KOENIG: He did not say that.

25 He wasn't sure who it was.

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1 THE WITNESS: Yeah.

2 MR. KOENIG: He said it may have

3 been Elek Straub.

4 THE WITNESS: Yeah, yes.

5 Q Okay. What did you learn at that

6 time about the investigation?

7 A What I have learned is that they

8 would like to check a few contracts, which are

9 related to the acquisition in Montenegro.

10 Q And did you ever talk to Andras

11 Balogh about this investigation?

12 A Of course I talked to him about the

13 investigation.

14 Q When was the first time that you

15 talked to Andras Balogh --

16 A I --

17 Q -- about the investigation?

18 A I don't remember that. I think that

19 he was even on vacation when this whole thing

20 started. I think he was on vacation.

21 Q Did there ever come a time when you

22 talked to Andras Balogh about files that were

23 on your computer relating to Macedonia?

24 MR. KOENIG: Objection to form.

25 A There was -- I don't remember when

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1 exactly. There was -- I received a call from
2 my boss --
3 **Q Andras Balogh?**
4 A Andras Balogh.
5 -- asking for my password. Because I
6 was not in the office and I wasn't in the
7 country. I was on a business trip.
8 And yeah, he -- he told me that he
9 needed my password because the computers will
10 be checked for the Montenegro investigation,
11 and he would like to keep the privacy of the
12 documents regarding Macedonia.
13 **Q Did he say why?**
14 A No.
15 **Q Had he ever asked for your password**
16 **before?**
17 A No.
18 **Q Did you question why he wanted to**
19 **delete files?**
20 MS. LANE: Objection.
21 MR. KOENIG: Objection.
22 A He asked for my password, he was my
23 boss, who I trusted, and he clearly indicated
24 that he wants to see the files regarding
25 Macedonia and not Montenegro, so I provided

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1 him my password.
2 **Q Did he say what specific files?**
3 A No.
4 **Q Did you ask?**
5 A No. That was on the phone between --
6 I was in the car drive, somewhere in Bulgaria,
7 Macedonia. No.
8 **Q Were you on the phone with him when**
9 **he accessed your computer files?**
10 A No.
11 MS. LANE: Objection.
12 MR. DODGE: Did we get an answer?
13 A No, no, no. I don't -- it was a
14 short telephone discussion, asked my password.
15 That's all.
16 **Q Had anyone at Magyar Telekom ever**
17 **asked you to delete files from your computer?**
18 A No.
19 **Q Did you check to see if he had**
20 **deleted Macedonia files from your computer?**
21 A No.
22 **Q Do you know if he deleted all of the**
23 **Macedonia files?**
24 A I don't.
25 **Q Were your files all located in one**

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1 **directory or folder?**
2 **MR. KOENIG:** Objection.
3 A They were on my computer. This was a
4 computer system run by the company. It was a
5 company laptop.
6 **Q Did you give Mr. Balogh any**
7 **assistance in identifying where the files were**
8 **located?**
9 **MS. LANE:** Objection.
10 **MR. KOENIG:** Objection.
11 A No.
12 **Q Did you ever have any conversation**
13 **with Mr. Balogh about why he deleted these**
14 **files?**
15 **MS. LANE:** Objection.
16 A There was no discussion about why he
17 deleted the files. That was his decision to
18 delete the files and his decision to delete
19 which files he deleted.
20 **Q You never talked to him at any time**
21 **about that?**
22 A Of course, I talked to him about --
23 when I came back, because I found that that
24 was not a very wise thing to do.
25 **Q Why is that?**

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1 A This -- yeah, my perception was that
2 data deletion, even if it is not related to
3 investigation is just a stupid red flag for
4 anybody. Oh, there must have been something
5 because they deleted data. And that's just --
6 I think nobody understood where that
7 investigation that just started will go and
8 how it will evolve and have its own life and
9 stuff like that. So nobody knew the
10 consequences of it.
11 **Q Did you ever share that opinion with**
12 **him?**
13 A I remember telling him that that was
14 stupid to do.
15 **Q What did he say?**
16 A No comment.
17 **Q Why didn't you share that opinion**
18 **with him when he called you on the phone and**
19 **asked for your password?**
20 **MS. LANE:** Objection.
21 **MR. KOENIG:** Objection.
22 A Yeah, I'm -- I don't know. You get a
23 call -- it's speculation, I don't know.
24 **Q Did Mr. Balogh ever, at any time,**
25 **tell you what files he specifically had sought**

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1 its own set management and rules and
2 everything, reporting as normal in Deutsche
3 Telekom group, then my occupation in
4 Montenegro would have been much lower, so I
5 could -- I could assume, basically, my old
6 responsibility, which was international
7 portfolio director.
8 **Q So is it your opinion that you were**
9 **copied on Macedonian things essentially to**
10 **just keep you generally aware as to --**
11 A That is the most sensible
12 explanation.
13 **Q Okay. Also, I'd like to ask you, did**
14 **you take a summer vacation or holiday in 2005?**
15 A Yes, in 2005.
16 **Q When and where?**
17 A That was the dream vacation that we
18 have with my wife. We took almost a month,
19 went from the airline miles, we flew to
20 San Francisco, rented a car and saw Yosemite,
21 Yellowstone, Grand Canyon, all the national
22 parks.
23 **Q Okay. When was that?**
24 A That was -- we started around the
25 20th of June, and it almost took a month. So

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1 I was back in the office around the 20th of
2 July. This was exactly after this one year of
3 very intensive work with -- with Montenegro.
4 So that I -- I had no time to take vacation
5 during -- during that period, so that was just
6 really to settle down and relax.
7 **Q You were asked a lot of questions**
8 **yesterday about Kosovo; do you recall that?**
9 A Yes, I do.
10 **Q What was your actual involvement in**
11 **day-to-day activities with regard to the**
12 **Kosovo issues Mr. Bednar asked you about?**
13 A I had no day-to-day activities on
14 Kosovo.
15 **Q So to the -- you were giving -- to**
16 **the extent you were providing answers**
17 **yesterday on Kosovo, what were those answers**
18 **based upon, if you weren't personally**
19 **involved?**
20 A I was not personally involved. That
21 was a topic which was in the air. And the
22 information was based on the -- my -- my
23 answers were based on what I heard about the
24 project.
25 **Q General information?**

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1 A General information.
2 **Q Okay. Okay. I want to now ask**
3 **you -- you -- you joined Magyar Telekom in**
4 **2003; correct?**
5 A That's correct.
6 **Q All right. And one of the places you**
7 **went primarily to was Macedonia?**
8 A That's correct.
9 **Q All right. When you joined Magyar**
10 **Telekom, who owned MakTel?**
11 A When I joined Magyar Telekom,
12 StoneBridge was the owner of MakTel, the
13 consortium of the three companies.
14 **Q And what were those three companies?**
15 A It was Magyar Telekom, Matav at the
16 time, the Greeks and the Americans, as we
17 referred to them.
18 **Q Was that a system that was already in**
19 **place?**
20 A That was the system, which was
21 completely in place.
22 **Q So StoneBridge was already in**
23 **existence?**
24 A StoneBridge was in -- was in
25 existence, Telemacedonia --

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1 **Q Telemacedonia -- let me ask a**
2 **question.**
3 **Was Telemacedonia in existence?**
4 A Yes.
5 **Q All right. Were the Greek partners**
6 **already involved?**
7 A Yes.
8 **Q And still members of the consortium?**
9 A Yes.
10 **Q Was Chaptex in existence at the time?**
11 A Yes.
12 **Q Had the Greeks, to your knowledge,**
13 **performed an advisory role to Magyar Telekom**
14 **prior to your arrival?**
15 A Yes, they were really involved in the
16 operation.
17 **Q So is it fair to say you were kind of**
18 **like the new guy walking into an existing**
19 **structure?**
20 A I was the new kid on the block, yes.
21 **Q All right. And did you have an**
22 **understanding as to whether the pre-existing**
23 **relationships that predated you coming to**
24 **Macedonia, were those longstanding**
25 **relationships or were those relatively new, if**